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UNITED NATIONS
COMPENSATION COMMISSION
GOVERNING COUNCIL

DISTRIBUTION OF PAYMENTS AND TRANSPARENCY

Decision taken by the Governing Council of the United Nations Compensation Commission at its 41st meeting, held in Geneva on 23 March 1994

I. Governments, exercising their responsibility for the distribution of payments of compensation for direct losses to successful claimants whose claims they have submitted, shall establish their own mechanisms to distribute payments in a fair, efficient and timely manner, subject to the following provisions:

1. Governments may offset their costs of processing claims by deducting a small fee from payments made to claimants. The Governments shall be required to provide explanations satisfactory to the Governing Council for any processing costs so deducted. Such fees shall be commensurate with the actual expenditure of Governments. In the case of awards payable to claimants in categories "A", "B" and "C", the fees should not exceed l.5 per cent, and for awards payable to claimants in categories "D", "E" and "F", the fees should not exceed 3 per cent. Any commission or charge on compensation received from the UNCC imposed by Governments pursuant to national laws is to be considered a processing cost and may be deducted by the concerned Government. Without prejudice to future decisions concerning eligibility for compensation under category "F", if a Government, that has deducted a processing fee, receives compensation for such costs under category "F", it shall reimburse to claimants those fees deducted.

2. Prior to or immediately following the receipt of the first payment from the Compensation Commission each Government shall provide information in writing through the Executive Secretary to the Governing Council on the arrangements that it has made for the distribution of funds to claimants, and subsequently promptly report any changes to those arrangements.

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3. If amounts of awards are specified by the Compensation Commission in respect of each individual claim, Governments should distribute funds to claimants within six months of receiving payment from the Compensation Commission, subject to the provisions of paragraph 5.

4. Not later than three months after the expiration of the time limit for the distribution of each payment received from the Compensation Commission, Governments shall provide information on the amounts of payments distributed. Such reports shall refer to the category of claims and the instalment payment received from the Compensation Commission and shall also include information on the reasons for non-payment to claimants because claimants could not be located or for other reasons, as well as the explanations required on fees deducted under paragraph 1.

5. If a Government fails to distribute funds within six months of their receipt, or indicates that it needs additional time to distribute the funds, or if reports satisfying the requirements of paragraph 4 are not submitted to the Executive Secretary within the prescribed time; and where the Governing Council does not consider that exceptional circumstances exist, or is not satisfied with the reasons given for non-payment or with the adequacy of the reports submitted, the Governing Council may decide to ask for an explanation or further information from the Government concerned. In the absence of a response satisfactory to the Council, it may decide not to distribute further funds to that particular Government.

6. After completing distribution of all payments received from the Compensation Commission, each Government should produce a final summary account of payments made including who was paid, the exact amount received by each claimant and the date of each payment, as well as a report on amounts not distributed. Funds received by Governments from the Compensation Commission that Governments have not disbursed to claimants due to inability to locate such claimants shall be reimbursed to the Compensation Fund, unless otherwise decided by the Governing Council.

7. Governments shall make payments to claimants either in US dollars or in other currencies. If Governments convert US dollar payments received from the UNCC into other currencies for distribution of awards to claimants, they shall notify the Governing Council on the method of conversion and exchange rate to be used, bearing in mind the interests of claimants in receiving full equivalent of their awards.

II. These provisions should also apply to the distribution of payments by any person, authority or body which has been designated by the United Nations Compensation Commission to collect and submit claims on behalf of persons who are not in a position to have their claims submitted by a Government.

III. The Governing Council will continue to monitor the distribution of payments to claimants and will make revisions and adjustments of the provisions established above, whenever deemed necessary.

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